

BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA

ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

EFFECTIVE: June 01, 2014

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CLASS I PRICE FOR MILK TESTING 3.5% BUTTERFAT (\$/CWT)	\$ 25.41		
VALUE OF CLASS I BUTTERFAT AT 3.5 LBS (\$)	\$ 7.91	CLASS I BUTTERFAT PRICE PER POUND (\$/LB)	\$ 2.2611
VALUE OF CLASS I SKIM MILK AT 96.5 LBS (\$)	\$ 17.50	CLASS I SKIM PRICE PER POUND (\$/LB)	\$ 0.1813

Under ARM 32.24.301(5), the minimum Class I price to pay milk producers per hundred pounds of milk (cwt) testing 3.5% butterfat f.o.b. milk distributor's plant is \$25.41.

The value of one pound of butterfat utilized will be \$2.2611/lb. When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 22.61 cents for each one-tenth of one percent butterfat above or below 3.5%.

ARM 32.24.301(5): Federal Order Base Class I Price (\$/cwt)	\$ 22.86	ARM 32.24.301(5): Federal Order Advanced Butterfat Pricing Factor (\$/lb)	\$ 2.2356
ARM 32.24.301(5): Differential (\$/cwt)	\$ 2.55	Differential: \$2.55/cwt / 100 lbs/cwt (\$/lb)	\$ 0.0255
CLASS I PRICE FOR MILK TESTING 3.5% BUTTERFAT (\$/CWT)	\$ 25.41	CLASS I BUTTERFAT PRICE PER POUND (\$/LB)	\$ 2.2611

CLASS II PRICE FOR MILK TESTING 3.5% BUTTERFAT (\$/CWT)	\$ 22.06	CLASS II BUTTERFAT PRICE PER POUND (\$/LB)	\$ 2.300
VALUE OF CLASS II BUTTERFAT AT 3.5 LBS (\$)	\$ 8.05	CLASS II SKIM PRICE PER POUND (\$/LB)	\$ 0.1452
VALUE OF CLASS II SKIM MILK AT 96.5 LBS (\$)	\$ 14.01		

ARM 32.24.301(6): Average spray process dry milk solids (USDA Central Region Nonfat Dry Milk) (\$/lb)	\$ 1.8675	ARM 32.24.301(6): Last quote for Grade AA butter (Chicago Area Grade AA Butter Price) (\$/lb)	\$ 2.1600
ARM 32.24.301(6): Freight Adjustment (\$/lb)	\$ 0.0125	ARM 32.24.301(6): less a differential of \$0.0895	\$ (0.0895)
Subtotal (\$/lb)	\$ 1.8800	Subtotal (\$/lb)	\$ 2.0705
ARM 32.24.301(6): multiplied by 8.2 (lbs nonfat dry solids per cwt milk)	\$ 15.42	ARM 32.24.301(6): multiplied by 0.111	\$ 0.2298
		ARM 32.24.301(6): rounded to the nearest \$0.005 (\$/0.1% butterfat content)	\$ 0.230
ARM 32.24.301(6): Last quote for Grade AA butter (Chicago Area Grade AA Butter Price) (\$/lb)	\$ 2.1600	multiplied by 10 (\$/% butterfat content = \$/lb butterfat) CLASS II BUTTERFAT PRICE PER POUND (\$/LB)	\$ 2.300
ARM 32.24.301(6): less a differential of \$0.0895	\$ (0.0895)		
Subtotal (\$/lb)	\$ 2.0705		
ARM 32.24.301(6): multiplied by 4.2 (lbs butter per cwt milk)	\$ 8.70	Hundredweight price of milk testing 3.5% butterfat (\$/cwt)	\$ 22.06
		Less: Value of 3.5 pounds of butterfat (\$)	\$ (8.05)
Nonfat Dry Solids Price Component + Butter Price Component (\$/cwt milk)	\$ 24.11	VALUE OF CLASS II SKIM PRICE AT 96.5 LBS (\$)	\$ 14.01
ARM 32.24.301(6): Less Make Allowance of 8.5% (\$/cwt)	\$ (2.05)	CLASS II SKIM PRICE PER POUND (\$/lb)	\$ 0.1452
CLASS II PRICE FOR MILK TESTING 3.5% BUTTERFAT (\$/CWT)	\$ 22.06		

CLASS III PRICE FOR MILK TESTING 3.5% BUTTERFAT (\$/CWT)	\$18.87	CLASS III BUTTERFAT PRICE PER POUND (\$/LB)	\$1.8635
VALUE OF CLASS III BUTTERFAT AT 3.5 LBS (\$)	\$6.52	CLASS III SKIM PRICE PER POUND (\$/LB)	\$0.1280
VALUE OF CLASS III SKIM MILK AT 96.5 LBS (\$)	\$12.35		

Class III BF Price/lb x 3.5 lbs butterfat per cwt milk: VALUE OF CLASS III BUTTERFAT AT 3.5 LBS	\$6.52	ARM 32.24.301(7): Last quote for Grade AA butter (Chicago Area Grade AA Butter Price) (\$/lb)	\$ 2.1600
Class III Skim per lb x 96.5 lbs per cwt milk: VALUE OF CLASS III SKIM MILK AT 96.5 LBS (\$)	\$12.35	ARM 32.24.301(7): less a differential of \$0.0895	\$ (0.0895)
CLASS III PRICE PER CWT FOR MILK TESTING 3.5% BUTTERFAT (\$/CWT)	\$18.87	Subtotal (\$/lb)	\$ 2.0705

ARM 32.24.301(7): Less 10%	\$ (0.2071)
Butter Price Component: CLASS III BUTTERFAT PRICE PER POUND (\$/LB)	\$ 1.8635

June 2014 Montana Price Announcement Summary:

	Price for Milk Testing 3.5% Butterfat (\$/cwt)	Butterfat Price (\$/lb)
CLASS I	\$25.41	\$2.2611
CLASS II	\$22.06	\$2.300
CLASS III	\$18.87	\$1.8635

Average spray process dry milk solids (USDA Central Region Nonfat Dry Milk) (\$/lb)	\$ 1.8675
ARM 32.24.301(7): Freight Adjustment (\$/lb)	\$ 0.0125
Subtotal (\$/lb)	\$ 1.8800
ARM 32.24.301(7): multiplied by 8.2 (lbs nonfat dry solids per cwt milk)	\$ 15.42
ARM 32.24.301(7): less 17%	\$ (2.62)
Nonfat Dry Solids Price Component (\$/cwt)	\$ 12.80
Nonfat Dry Solids Price Component: CLASS III SKIM PRICE PER POUND (\$/LB)	\$ 0.1280

BY ORDER OF THE MONTANA MILK CONTROL BUREAU


 Chad Lee, Bureau Chief
 Montana Milk Control Bureau

PRODUCER CLASS I PRICE IN MONTANA

Month	2013	2014	Difference	% Change
January	\$21.52	\$24.03	\$2.51	11.66%
February	\$20.76	\$24.57	\$3.81	18.35%
March	\$20.35	\$26.19	\$5.84	28.70%
April	\$20.21	\$26.20	\$5.99	29.64%
May	\$20.31	\$27.02	\$6.71	33.04%
June	\$21.48	\$25.41	\$3.93	18.30%
July	\$21.46			
August	\$21.43			
September	\$21.71			
October	\$21.75			
November	\$22.75			
December	\$22.92			
Average	\$21.39	\$25.57	\$4.80	23.28%

QUOTA BLEND PRICE IN MONTANA

Month	2013	2014	Difference	% Change
January	\$18.95	\$21.35	\$2.40	12.66%
February	\$18.55	\$22.83	\$4.28	23.07%
March	\$18.21	\$23.41	\$5.20	28.56%
April	\$18.22	\$23.70	\$5.48	30.08%
May	\$18.30			
June	\$18.85			
July	\$19.35			
August	\$19.21			
September	\$19.64			
October	\$19.91			
November	\$20.50			
December	\$21.14			
Average	\$19.24	\$22.82	\$4.34	23.59%

